Opportunities to Streamline DOD's Milestone Review Process

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Background

- Defense Committees are focused on identifying efficiencies in the acquisition process and reducing burden on acquisition programs.
- The National Defense Authorization Act for Fiscal Year 2014 mandated that GAO review DOD's weapon systems acquisition process, with an objective of identifying processes or procedures with little or no value added.

GAO issued a report in February 2015 (GAO-15- 192) that examined

- the effort and value involved in DOD's preparation for a milestone decision,
- the factors that influence the time needed to complete the milestone decision process, and
- alternative processes used by some DOD programs and leading commercial firms.

Effort and Value Involved in DOD's Preparation for a Milestone Decision

We surveyed 24 program managers that held a milestone B or C decision since 2010 and found that:

- Programs completed documentation for up 49 information requirements for their most recent acquisition milestone.
  - It took an average of over 2 years to complete the steps necessary to document the information requirements. About half the time was spent preparing the documents and the other half was spent reviewing and approving the documents.
  - Programs spent an average of 5,600 staff days documenting the requirements. Staff days spent in the review process were not tracked.
- Almost half of these requirements, 24 of the 49, were not highly valued by the acquisition officials we surveyed.

Average Time 24 DOD Programs Needed to Complete Information Requirements

(Grouped by the Value Acquisition Officials Considered Milestone B and C Requirements)
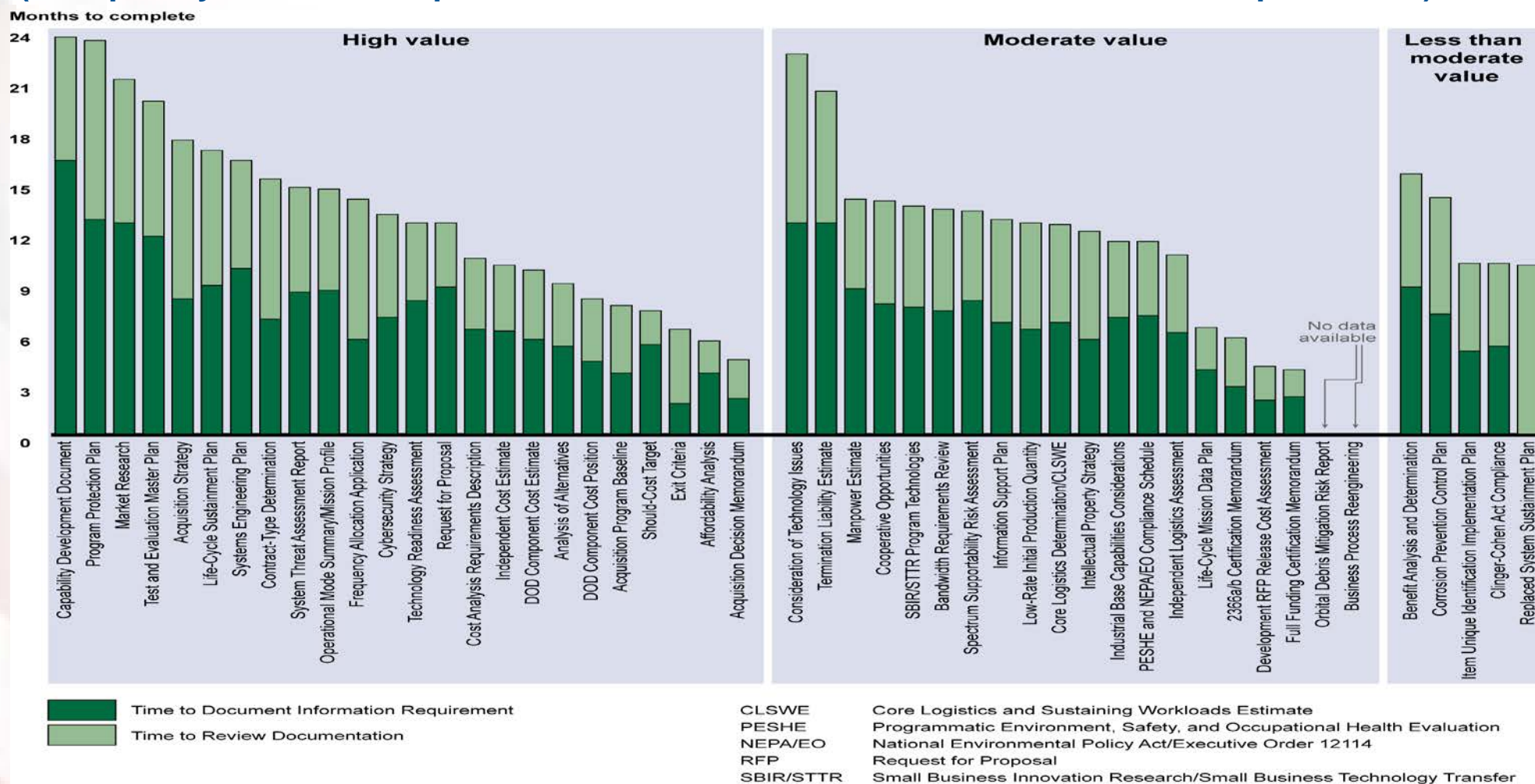
Source: GAO analysis of DOD data. | GAO-15-192

Factors that Influence the Time Needed to Complete the Milestone Decision Process

- As many as 8 levels of sequential review of documentation

- Large number of organizations review documentation

Source: GAO presentation of DOD data. | GAO-15-192

Organizations Typically Involved in the Review Process for an Air Force Acquisition Strategy

56 organizations
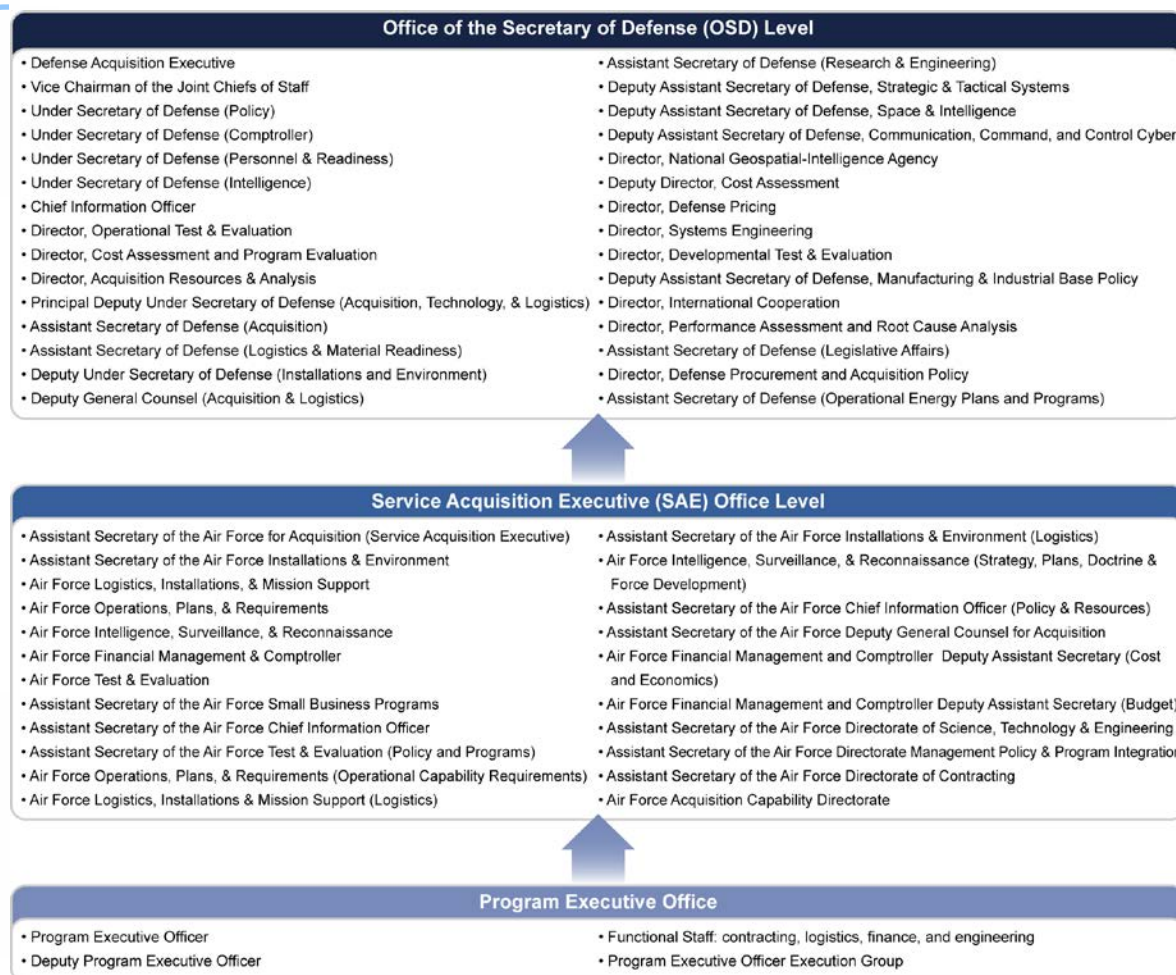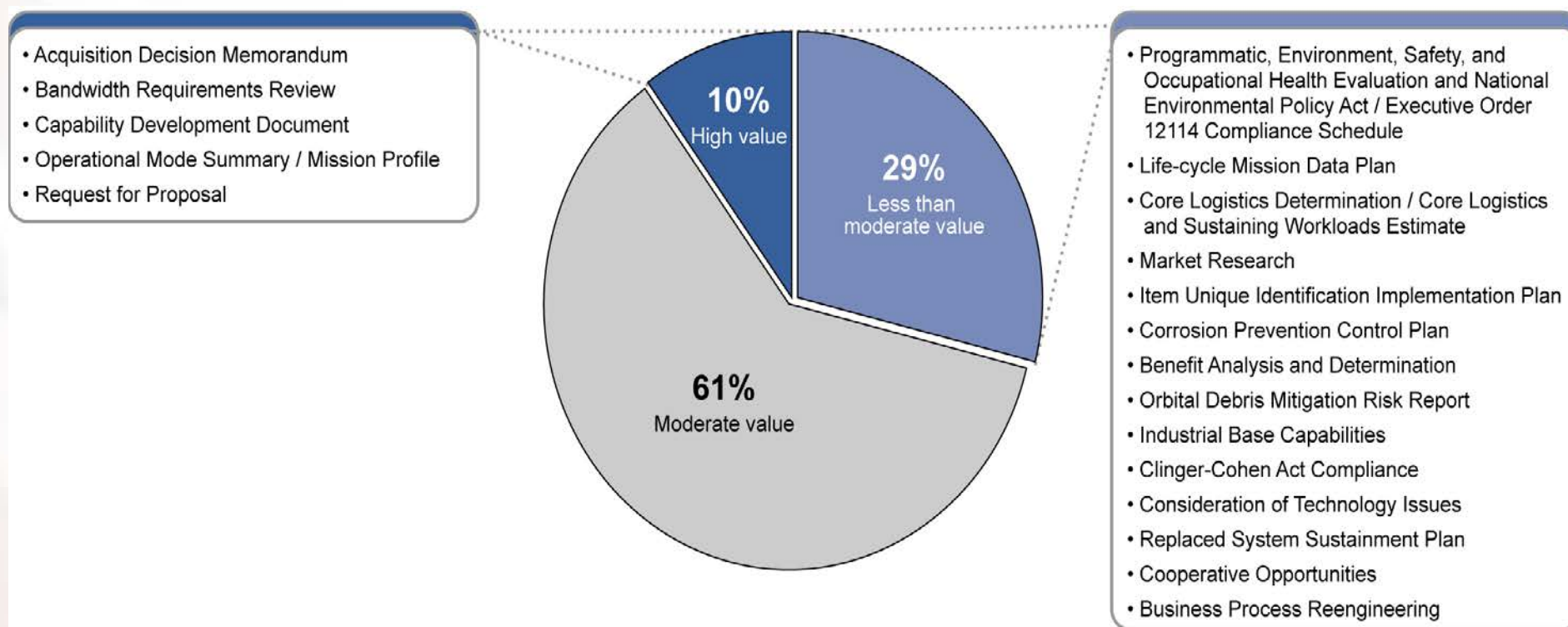
Office of the Secretary of Defense (OSD) Level

- Defense Acquisition Executive
- Vice Chairman of the Joint Chiefs of Staff
- Under Secretary of Defense (Policy)
- Under Secretary of Defense (Comptroller)
- Under Secretary of Defense (Personnel & Readiness)
- Under Secretary of Defense (Intelligence)
- Chief Information Officer
- Director, Operational Test & Evaluation
- Director, Cost Assessment and Program Evaluation
- Director, Acquisition Resources & Analysis
- Principal Deputy Under Secretary of Defense (Acquisition, Technology, & Logistics)
- Assistant Secretary of Defense (Acquisition)
- Assistant Secretary of Defense (Logistics & Material Readiness)
- Deputy Under Secretary of Defense (Installations and Environment)
- Deputy General Counsel (Acquisition & Logistics)

- Assistant Secretary of Defense (Research & Engineering)
- Deputy Assistant Secretary of Defense, Strategic & Tactical Systems
- Deputy Assistant Secretary of Defense, Space & Intelligence
- Deputy Assistant Secretary of Defense, Communication, Command, and Control Cyber
- Director, National Geospatial-Intelligence Agency
- Deputy Director, Cost Assessment
- Director, Defense Pricing
- Director, Systems Engineering
- Director, Developmental Test & Evaluation
- Deputy Assistant Secretary of Defense, Manufacturing & Industrial Base Policy
- Director, International Cooperation
- Director, Performance Assessment and Root Cause Analysis
- Assistant Secretary of Defense (Legislative Affairs)
- Director, Defense Procurement and Acquisition Policy
- Assistant Secretary of Defense (Operational Energy Plans and Programs)

Service Acquisition Executive (SAE) Office Level

- Assistant Secretary of the Air Force for Acquisition (Service Acquisition Executive)
- Assistant Secretary of the Air Force Installations & Environment
- Air Force Logistics, Installations, & Mission Support
- Air Force Operations, Plans, & Requirements
- Air Force Intelligence, Surveillance, & Reconnaissance
- Air Force Financial Management & Comptroller
- Air Force Test & Evaluation
- Assistant Secretary of the Air Force Small Business Programs
- Assistant Secretary of the Air Force Chief Information Officer
- Assistant Secretary of the Air Force Test & Evaluation (Policy and Programs)
- Air Force Operations, Plans, & Requirements (Operational Capability Requirements)
- Air Force Logistics, Installations & Mission Support (Logistics)

- Assistant Secretary of the Air Force Installations & Environment (Logistics)
- Air Force Intelligence, Surveillance, & Reconnaissance (Strategy, Plans, Doctrine & Force Development)
- Assistant Secretary of the Air Force Chief Information Officer (Policy & Resources)
- Assistant Secretary of the Air Force Deputy General Counsel for Acquisition
- Air Force Financial Management and Comptroller Deputy Assistant Secretary (Cost and Economics)
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- Assistant Secretary of the Air Force Directorate of Science, Technology & Engineering
- Assistant Secretary of the Air Force Directorate Management Policy & Program Integration
- Assistant Secretary of the Air Force Directorate of Contracting
- Air Force Acquisition Capability Directorate

Program Executive Office

- Program Executive Officer
- Deputy Program Executive Officer

- Functional Staff: contracting, logistics, finance, and engineering
- Program Executive Officer Execution Group

Source: GAO presentation of DOD data. | GAO-15-192
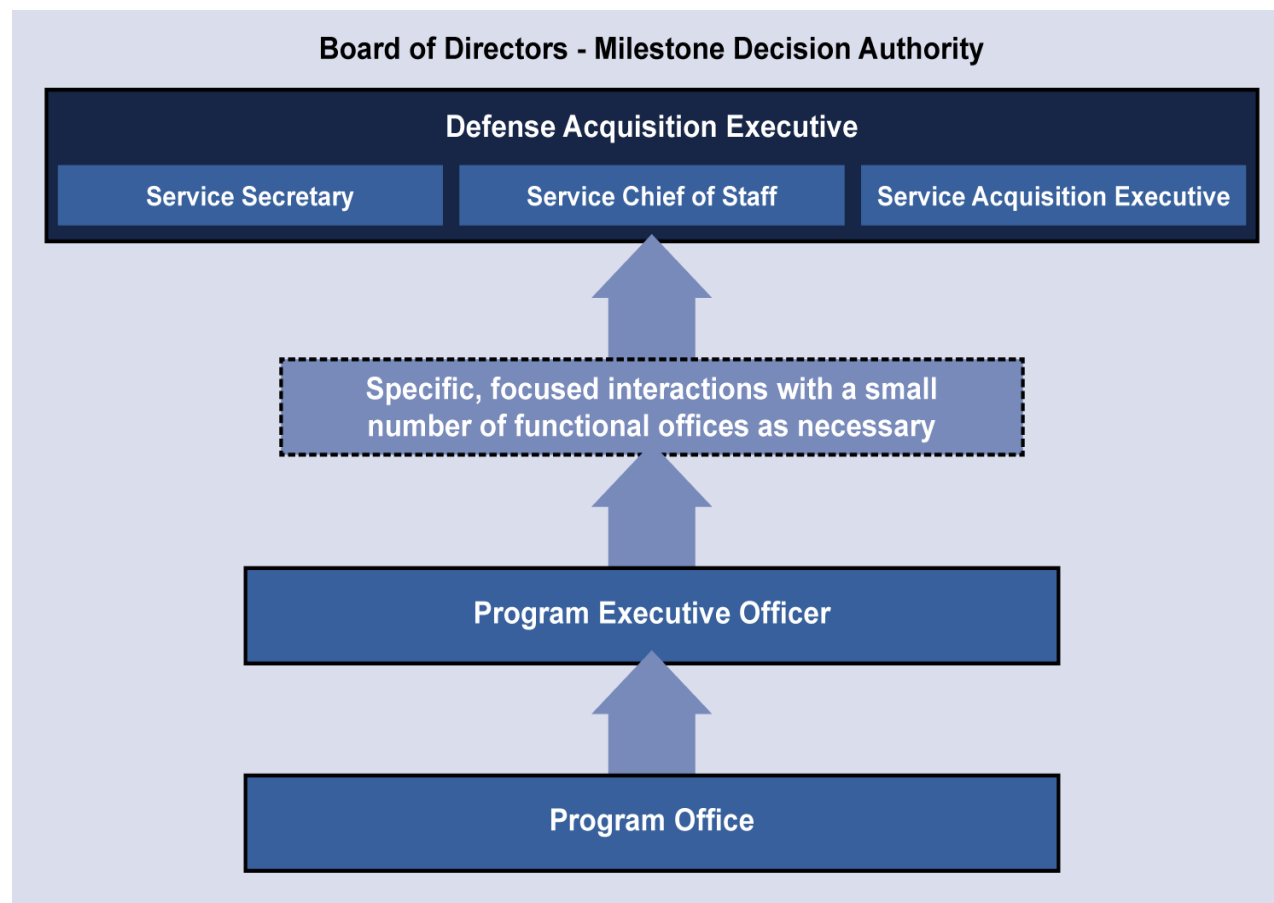
Program Offices' Assessments of the Value Added from Documentation Reviews of Information Requirements

Source: GAO analysis of data from 24 DOD programs. | GAO-15-192

Alternative Processes Used by Some DOD Programs and Leading Commercial Firms

Classified programs we reviewed are managed with a process that includes fewer levels and reviewers between the program office and decision authority

Board of Directors - Milestone Decision Authority

Defense Acquisition Executive

Service Secretary	Service Chief of Staff	Service Acquisition Executive

Specific, focused interactions with a small number of functional offices as necessary

Program Executive Officer

Program Office

Source: GAO presentation of DOD data. | GAO-15-192

Alternative Processes Used by Some DOD Programs and Leading Commercial Firms

- Companies prepare similar documents as DOD acquisition programs, but only a few of the most critical ones, the business case documents, require senior management approval.

- A key enabler to this approach is the establishment of frequent, regular interactions between program officials and decision makers.

- Companies minimize the levels of review needed to determine whether a program is ready to advance to the next acquisition phase, resulting in a quicker, more efficient process

DOD Efforts to Streamline the Acquisition Process

DOD has taken steps to address some inefficiencies:

- USD AT&L delegated approval of 3 milestone documents to the service level (Corrosion Prevention Control Plan, PESHE, and the Item Unique Identification Implementation Plan).

- USD AT&L delegated milestone decision authority of 5 programs to the military services.

- USD AT&L issued guidance that included a potential pilot test of a "skunkworks" process for major defense acquisition programs.

- AT&L developed an Electronic Coordination Tool to electronically disseminate and track the progress of acquisition strategies.

- DOD revised acquisition policy to include greater emphasis on "tailoring".

Conclusions

- DOD has essentially tried to overcome a legacy of negative cost and schedule acquisition outcomes by requiring extensive documentation to support program strategies, plans, and other information prior to a milestone decision.

- The need to document information about essential aspects of a program and for an appropriate level of review and approval is legitimate. However, the process has become bloated, time-consuming, and cumbersome to complete.

- The challenge is to find the right balance between having an effective oversight process and the competing demands such a process places on program management. Meeting the challenge will depend on DOD's ability to identify the key problem areas in weapon system acquisitions and the associated root causes that exist today and whether information requirements and reviews are linked to   addressing these problems.

Recommendations

In the near term,

- identify and potentially eliminate reviews, review levels, and information requirements that do not add value and are no longer needed.
- For the remaining reviews and information requirements, identify different approaches, such as consolidating information and delegating approval authority.

As a longer-term effort,

- select several current or new major defense acquisition programs to pilot, on a broader scale, different approaches for streamlining the entire milestone decision process, including.
  - Defining the appropriate information needed to support milestone decisions
  - Developing an efficient process to minimize reviews and establishing frequent, regular interaction between the program office and milestone decision makers, in lieu of documentation reviews, to expedite the process.

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